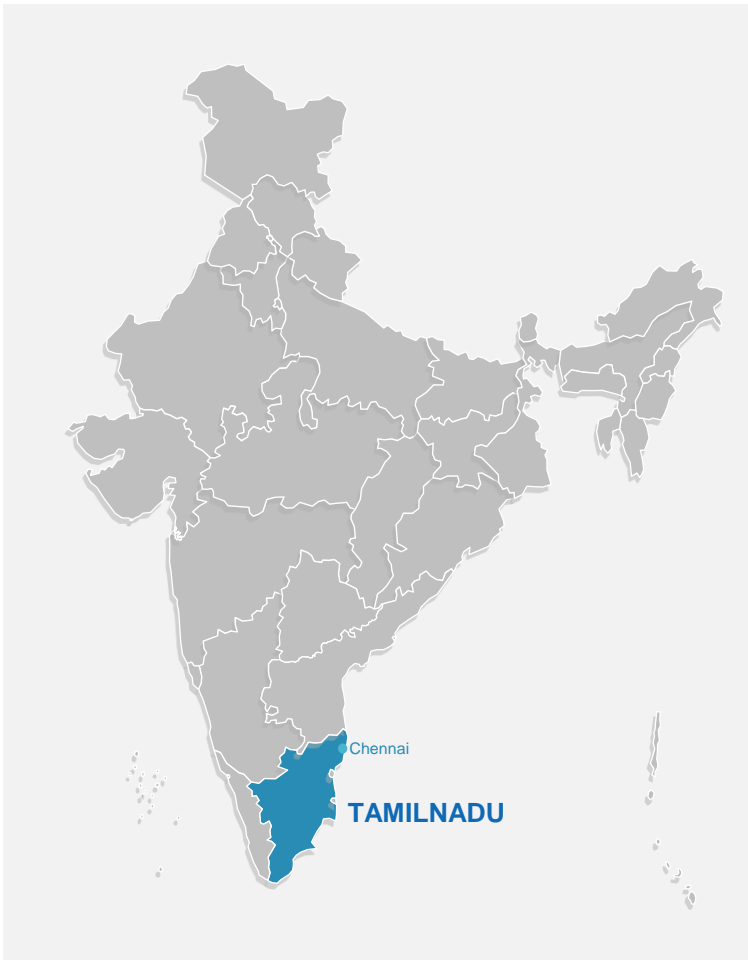




IMPACT FUNDS

MANAGED BY
TAMIL NADU INFRASTRUCTURE FUND MANAGEMENT
CORPORATION LIMITED
CHENNAI, INDIA

Tamil Nadu – A diversified and fast-growing economy



2nd

Largest Economy in India; contributes 8.8% to GDP

#1

highest number of factories in the country

#1

Highest women participation in India's factories

#1

Renewable energy capacity in the country

#1

Most urbanised state in India

3rd

Largest exporter in India

3rd

in Ease of Doing Business rankings 2021

130

Fortune 500 companies has operations in the state

SaaS

Chennai recognized as SaaS capital of India

2nd

Sustainable Development Goals India Index

10

Research institutes among the top 50 institutions in India

80+





Incubation centers in the State

TNIFMC – Thematic Impact Funds under Management



- Promoted by Government of Tamil Nadu (GoTN) with 49% ownership and other Institutional Shareholders holding 51%.
- An umbrella AMC that manages multiple funds set up under policy initiatives of the various departments of the Government of Tamil Nadu.
- Manages thematic Alternative Investment Funds (AIF) in policy priority areas of the GoTN
- Focussed on producing commercial returns; Professional management team and Independent Investment Committee.
- Regulated by the Indian Securities Market Regulator, SEBI.

TNIFMC - Investment Manager focused on Sustainability

	FY 2019	FY 2022	FY 2023	FY 2024	FY2025
Funds Launched	 <p>Tamil Nadu Shelter Fund</p> <p>Fund Closed: INR 658 Cr.</p>	 <p>Tamil Nadu Emerging Sector Seed Fund</p> <p>Target Corpus: INR 500 Cr. Raised: INR 105 Cr.</p>		 <p>Tamil Nadu Green Climate Fund</p> <p>Target Corpus: INR 2000 Cr. Raised: INR 100 Cr.</p>	
	<p>Tamil Nadu Shelter Fund</p>	 <p>VIJAY RAJA vraddress 1949</p>	 <p>தோழி முன்னேற்ற உரிமைகள்</p> <p>TNIHPL</p>	 <p>VRPL VIDIYAL RESIDENCY PRIVATE LIMITED</p>	<p>Kaivalyam</p> <p>APPL</p>
	<p>Tamil Nadu Emerging Sector Seed Fund</p>		 <p>E-SANDHAI SIMPLY THE MARKET</p>  <p>SURINOVA</p>	 <p>Pianytics Analytics driven planning</p>  <p>FULLFILY</p>  <p>mmed.in Enabling Covid Therapy</p>  <p>kaigal</p>  <p>OxyZEN Logistics Reimagined</p>  <p>TORUS</p>  <p>payAgri</p>	 <p>AamDhanE</p>

Highlights

- TNIFMC manages 3 Social Impact Funds (Cat 1 – SEBI Registered)
- Most active investor in the state of Tamil Nadu in the focus area of respective funds
- Through investments by our funds to date
 - 20,000+ women positively impacted
 - 25,000+ jobs created (direct+indirect)
 - 80MT/month - CO₂ emissions reduced (>1000MT cumulative)
 - 100+ /month – EVs added (>1500 cumulatively)

Existing Investors



Tamil Nadu Shelter Fund

Status Actively fund raising and investing	Target Corpus Rs. 1500 crores [USD 187 Mn]	Capital Raised Rs. 658 crores [USD 92 Mn]	First Close Jan 2020
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Portfolio – Invested



Project: Vijaya Raja Homes
Investment Size: INR 94 cr



Project: TN Working Women's Hostel (Platform Co.)
Investment Size: INR 32 cr till date



Project: Industrial Housing
Investment Size: INR 178 cr



Project: Industrial Housing inside SIPCOT
Investment Size: INR 48 cr



Tamil Nadu Green Climate Fund

Status

SEBI Approval
– Aug 2023.
Actively fund
raising

Target Corpus

Rs. 2000 Cr.
[USD 250 Mn]

Sponsor Commitment

Up to Rs. 100 Cr.
[USD 25 Mn]

Impact Targets



Co2 Reduction
6 mn tons/annum



Waste Recycled
0.6 mn tons/annum

Focus Sectors



Energy Transition



Electric Mobility

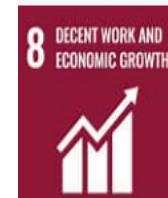


Circular Economy



Agri/Food Tech











Investments aligned with SDGs



Tamil Nadu Emerging Sector Seed Fund

<p>Status Actively fund raising and investing</p>	<p>Target Corpus Rs. 500 crores [USD 62 Mn]</p>	<p>Capital Raised Rs. 105 crores [USD 13 Mn]</p>	<p>First Close Jan 2023</p>
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Portfolio - Invested

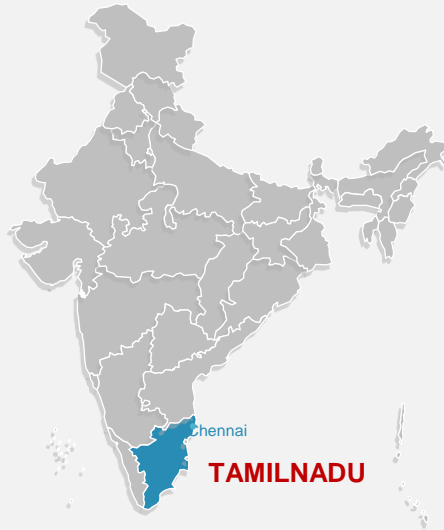
 <p>Blue collar job portal focused on MSMEs Investment Size: INR 2 Cr.</p>	 <p>LTL logistics company Investment Size: INR 6 Cr.</p>	 <p>Supply chain planning SaaS for healthcare vertical Investment Size: INR 2 Cr.</p>
 <p>Development of axial flux motors Investment Size: INR 3 Cr.</p>	 <p>EV based delivery services Investment Size: INR 6 Cr.</p>	 <p>Online Platform for super specialty medicines Investment Size: INR 3.4 Cr.</p>
 <p>Tech enabled agri sourcing and processing platform Investment Size: INR 8 Cr.</p>	 <p>Digital Platform for Agri distribution in tier - 2/3 towns Investment Size: INR 1 Cr.</p>	 <p>Robotics and Automation in tea harvesting Investment Size: INR 5 Cr.</p>
 <p>Blue-collar workforce & payroll management platform Investment Size: INR 6.2 Cr.</p>	<p>Most active investor in Tamil Nadu for CY 2023</p>	



Background – Case for intervention through an Impact Fund



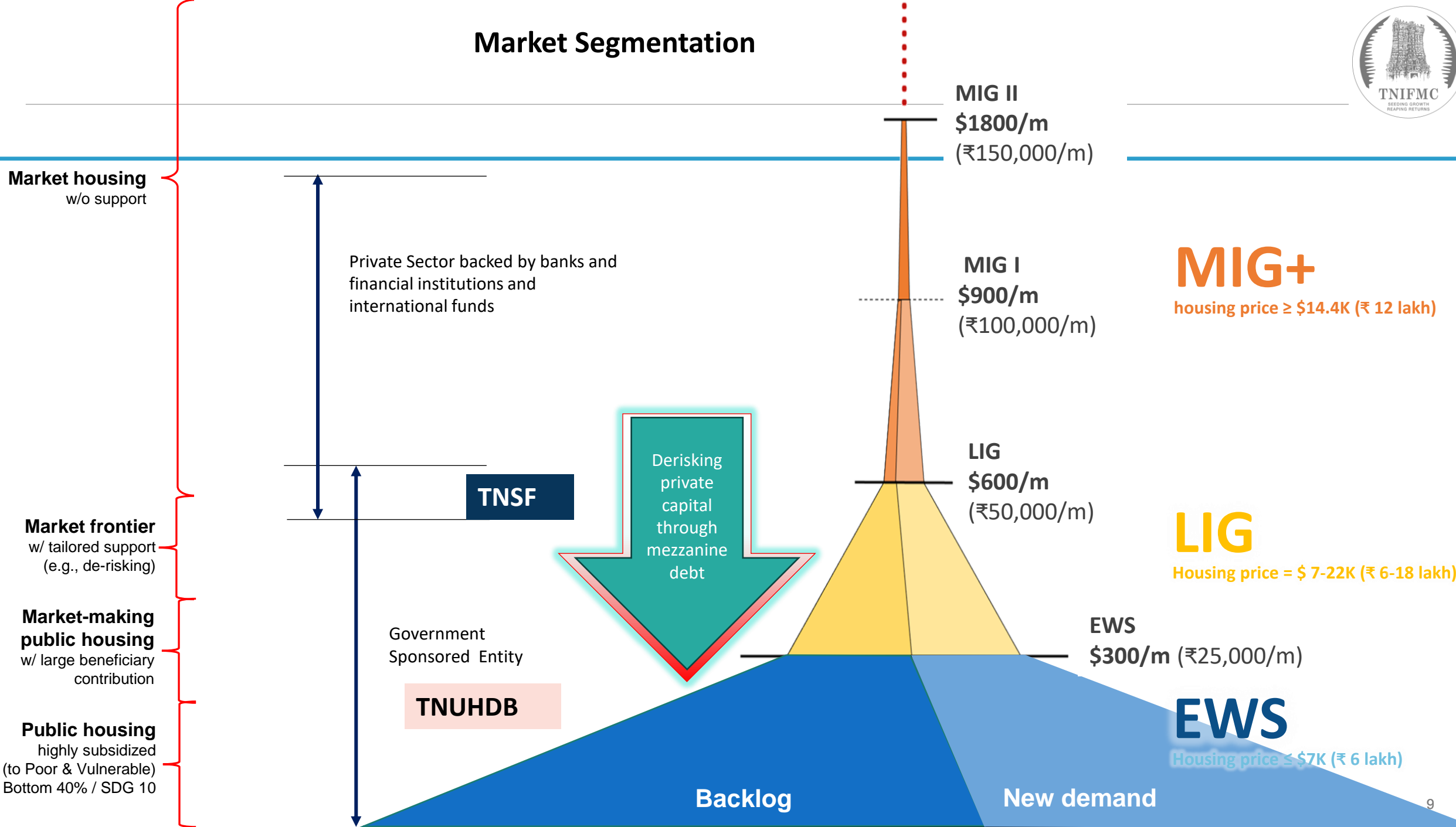
Large unfulfilled demand for affordable housing in Tamil Nadu



- Urban housing shortage of more than 1 million
- Shortage predominantly in Economically Weaker Section (EWS) & Low Income Group (LIG)
- Only Government's efforts are not adequate as the demand supply gap is huge
- Private developers stay away from affordable housing as it is less profitable
- **How can we incentivize private sector and leverage their capacity combined with government incentives to address this ?**



Market Segmentation



Challenges in leveraging private sector capacity



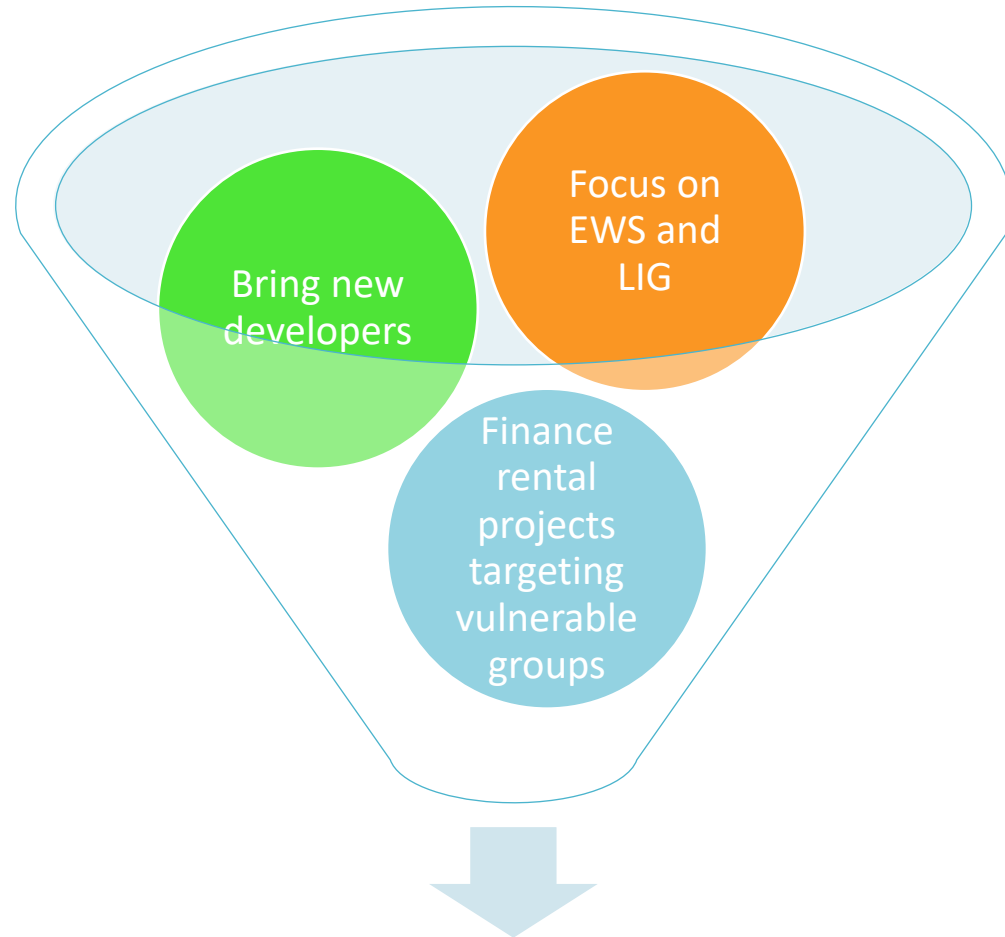
Private

- Developers face challenges to get financing due to lack of credit history in the industry.
- New technologies which are perceived risky.
- Small developers who are willing to take projects, are unable to raise capital.

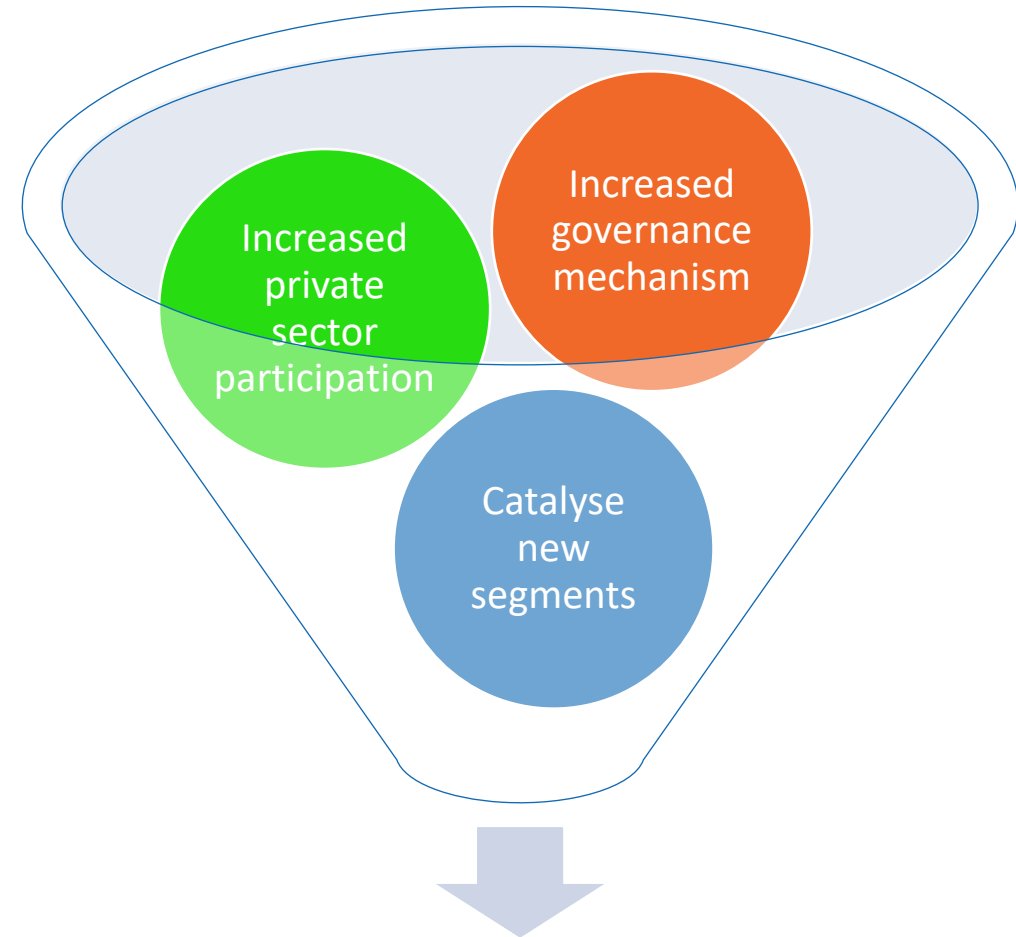
Public - Private

- Longer gestation time in land allotment, design, approvals, an implementation due to involvement of multiple stakeholders.
- Capacity building for new Special Purpose vehicle /platform companies.
- Cost over-run affects project's viability especially rents.

TNSF Role as a catalyst

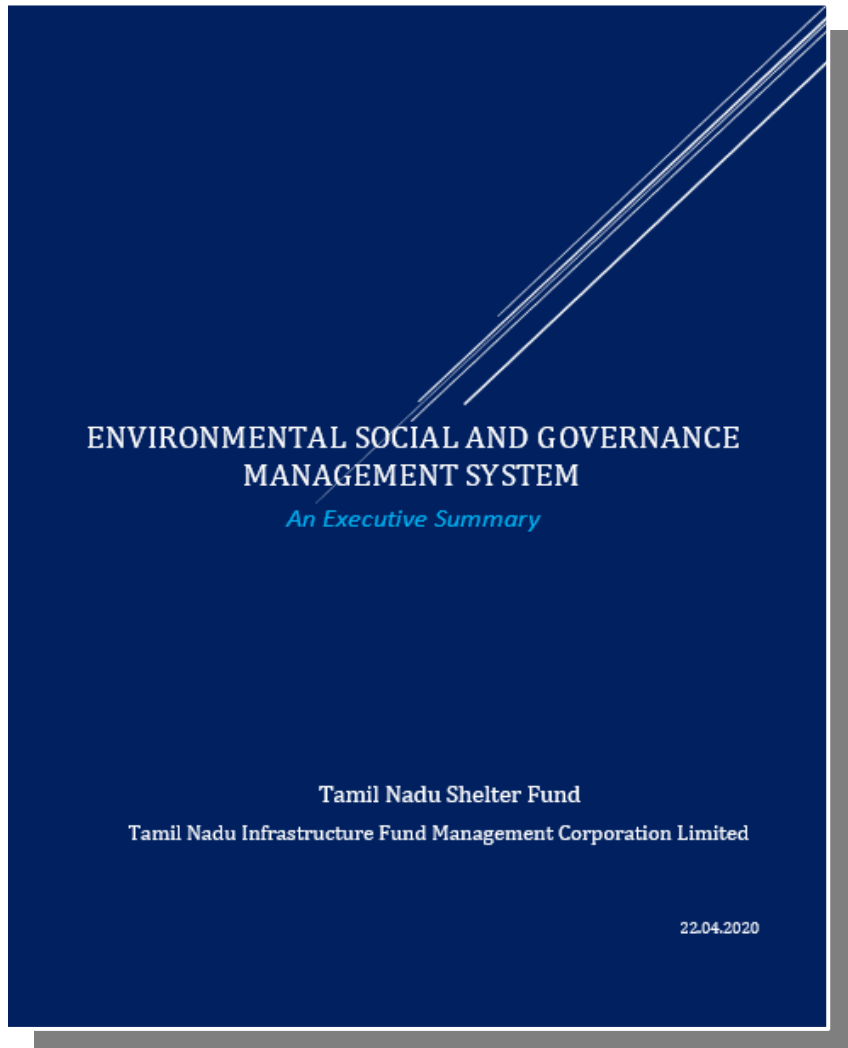


New Affordable Private Sector projects



Enhanced Efficiency in public sector

ESG Management System



Government of Tamil Nadu focuses on ESG. In association with World Bank & KPMG, TNSF have developed an ESG Evaluation/ Monitoring System, to screen projects for investment and for post-investment measurement & reporting – the **ESG Management System (ESGMS)**



Integrated approach to monitor ESG & Financial parameters throughout investment cycle. **ESGMS** also acts as a risk management tool for TNSF.



Measures Impact created by the fund and improved living conditions for EWS and LIG segments of population



Encourages our investees to manage projects to **achieve results beyond the requirements of certification standards** – encourages surpassing, not merely achieving.



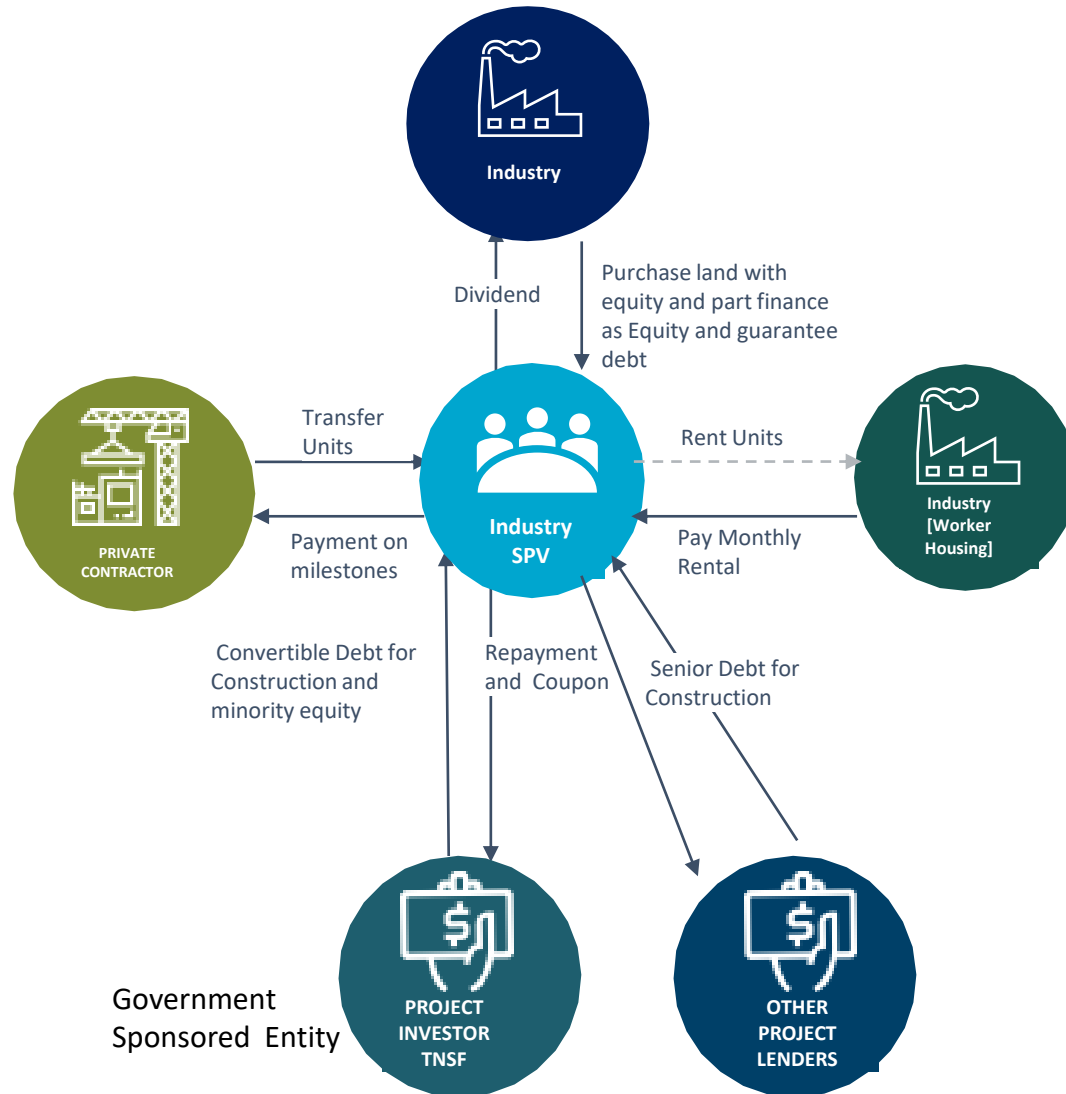
ESGMS systems helps to attract global investors in the TNSF platform.





TNSF PROJECT FUNDING MODELS

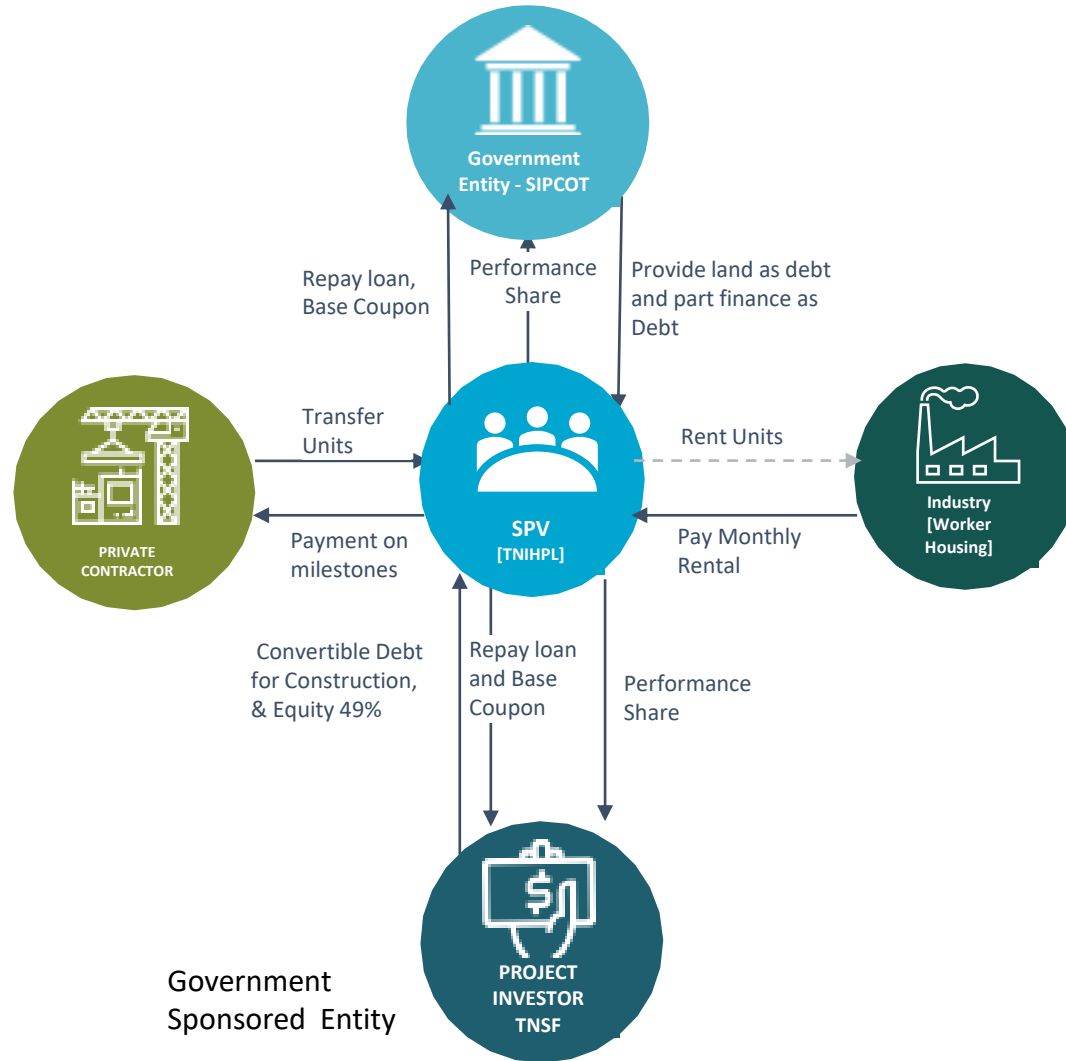
Industry Offtake/ Private Land [Rental – Industrial Housing Model]



Provide Subsided co-Financing through TNSF (Debt, Equity, or Structured Financing)

- PUBLIC** **PRIVATE**
- Provide Subsided co-Financing through TNSF (Debt, Equity, or Structured Financing)
 - Design Units
 - Build Units
 - Operate Units
 - Finance Construction
 - Offtake and rental assured by industry

Industry Offtake/ Public Land [Rental – Industrial Housing Model]



Government Sponsored Entity

PUBLIC

PRIVATE

- Provide Land on market rates as debt
- Provide Construction finance at market rates
- Provide Subsidized co-Financing through TNSF (Debt, Equity, or Structured Financing)
 - Design Units
 - Build Units
 - Operate Units
- Offtake and rental assured by industry



TNSF CASE STUDIES

Private Industrial Housing Project



TNSF Investment – Thozhi Working Women Hostels



Actual Site photos – Tambaram, Guduvanchery



Hostel Amenities – Thozhi Working Women Hostel



Key Lessons Learnt



Risk Sharing

- Participating Debt & Equity instruments to share the risk and rewards.
- Helps in bringing innovative models



Tenure and structuring

- Longer tenure for rental projects
- Deal structuring and repayment tailored to account for cash flow vagaries



What didn't work ?

- Stricter filtering criteria & definitions.
- Unwillingness of Industries to guarantee off take.



Challenges

- Lower yield in projects, requiring huge Viability Gap Funding.
- Lack of developed secondary market limiting exit options for rental projects.

Expected Impact by TNIFMC Funds



	~16,000 Affordable rental beds
	~6,000 units Affordable Housing Units
	~4.95 mn sq. ft. Green Certified Buildings
	~20,000 Women positively impacted
	~40,000 Jobs supported
	~100% Buildings with STP, Rainwater Harvesting



	~12% Reduction in Food Waste
	~800 MT CO2 emissions reduced
	~1,500 E-Vehicles added (adding ~100/month)
	>35% Portfolio investments with women founders
	~ 25,000 Jobs supported



Thank you